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Chua Beng Huat. *Public Subsidy / Private Accumulation: The Political Economy of Singapore's Public Housing*. Singapore: NUS Press, 2024.

Reviewed by Nabekura Satoshi*

More than eighty percent of Singapore's residents live in public housing flats owned by the country's public housing authority, the Housing and Development Board (HDB). This high percentage is due to the limited housing options available, which are: 1) to purchase a 99-year lease for a HDB flat to live there; 2) to meet very strict conditions to live in one of a limited number of public *rental* flats (i.e., do not purchase a lease); or 3) to purchase a more expensive private condominium or a much more expensive landed house. In Singapore, most people can afford to purchase the 99-year lease on the relatively cheap HDB flats and are entitled to most of the rights of ownership. This system distinguishes Singapore from most other countries, where government withdraws from public housing provision as much as possible.

Given this distinction, and its overwhelming usage by the citizenry, the public housing program holds special importance and meanings. It therefore provides rich ground for research. The Singaporean sociologist Chua Beng Huat draws on more than forty years of such research to situate the program in its historical context from the colonial era to the latest trends in the wake of the Covid-19 pandemic. The book compares the program to global counterparts and discusses it as "a property-owning procedural democracy."

Wherever one turns in Singapore, there are success stories of the HDB flats, and these stories are always connected with the ruling People's Action Party (PAP) government. The prevailing narrative is one of people being able to live in very nice, clean, and beautiful flats, which they own. Like most Singapore citizens who must live in the HDB flats, most academics who study Singapore's public housing system must also reiterate this narrative (e.g., Nabekura 2011). This book can be said to belong to the exception, which, in the Singapore context, needless to say, is extremely valuable. The author keeps his distance from the customary stories, analyzes the mechanism which has made it possible for so many residents to "buy" their flats, and reveals the fundamental contradictions of the public housing program.

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Chua identifies three factors that are essential for Singapore's public housing program: "land, development funding, and the mortgage system." The government acquired nearly all lands in Singapore through the powerful Land Acquisition Act of 1966. The Central Provident Fund (CPF), the compulsory monthly social security savings meant for retirement, enables the development funding and mortgage system. The CPF creates a mutual benefit. On the one hand, Singapore citizens can use CPF money before retirement to "buy" their housing flats and thus virtually do not need cash to secure housing. On the other hand, the government also need not face financial problems in securing funds to develop the housing estates.

Chua notes, however, that "after 60 years of expansion and periodic changes in policy details in response to contextual contingencies, the system has accumulated systemically generated contradictions and problems" (p. 56). These contradictions and problems are revealed when the public housing flats are transformed from necessary accommodation to a market commodity. The author examines this transformation and its meanings as follows. Singapore has a two-tiered pricing system for its public housing: that is, the price of new flats and the price of "resale" flats. The former is cheaper than the latter, not only because the former are subsidized by the government, but also because the latter are in better locations, enjoy full social amenities, and have shorter buyer wait times. This creates a significant price gap that virtually incentivizes citizens to buy two new flats sequentially, rather than one, so they can make money through the "buy/resale/repurchase cycle."

The problem originates with the resale circuit. The price of resale flats must be higher than new flats to stay competitive. To keep the price of aging flats competitive and thus make them saleable and raise funds, the government is obligated to implement upgrades. This creates another problem, that is, it elevates the price of new flats such that affordability, especially for young, new entrants to the housing market, comes into question. As the result, a generational inequality emerges, as well as an inequality between the relatively rich residents, who can take advantage of the cycle, and the relatively poor residents, who can not.

This has important political and social implications, as Chua observes: "With all but the wealthy dependent on the HDB for their housing, the PAP government has been able to use the citizens' total dependency to impose social, cultural, and political controls, and in turn, extract compliance or acquiescence" (p. 105). While usage of the housing system by the government for its own benefit is not a novel finding, at the same time, Chua notes, "[t]he total dependency of Singaporeans on the government/HDB for their housing is clearly double-edged. It gives the PAP government a high degree of political legitimacy, but it can also be 'weaponized' by the electorate to extract its housing needs from the government" (p. 114).

Chua's exploration of this "double-edged" nature of Singapore's public housing system throughout the book is what makes it a unique contribution to the scholarship. As he rightly notes, the government's monopolization of the provision of housing that is the key to Singapore

empowers not only the government, but also the people. Precisely because the government is obligated to provide housing, if it fails, it will face serious consequences in the elections. The author sees the possibility of “a property-owning procedural democracy” in this balance of powers.

The most serious problem that the book investigates is the expiration of public housing leases. In Singapore, the buyers of public housing flats are merely leaseholders, not owners. When there is enough time remaining on the lease period, this distinction between leaseholder and owner is not a problem. Indeed, the leaseholder is entitled to most of the rights of ownership in the control, use, and disposal of the flat. But as the first flats leased under the scheme approach the halfway point of their lease period, it is not difficult to imagine the rising concern and anxiety of the leaseholders. What will happen as the lease nears expiration? The value of the flat—and its price—will decline and eventually reach zero. If the government can not guarantee the price, its legitimacy may be harmed, precipitating serious outcomes at the elections and potentially causing conflicts and contradictions to explode.

After Chua’s book was reviewed, with the author’s comment, in the local press, several letters from readers flooded into the forum pages (*The Straits Times*, July 14, 19, 22, 23 and 30, 2024). Such a reaction to a book launch is unusual in Singapore. One of the readers wrote, “we should not allow the 99-year lease issue to remain unresolved.” Another wrote, “[t]hese seismic social changes in Singapore ought to be considered in determining anew the length of HDB flat leases. For instance, extending the leases of HDB flats to, say, 150 years may help allay some of these concerns.” Another dispensed advise, writing that “[p]rospective buyers and owners should make sound decisions based on their age vis-a-vis the remaining lease on their property, and not expect any assistance when the value of their property drops with the decaying lease.”

These reactions reflect the serious concerns and divided opinions of Singaporeans. Pandora’s box may have been opened. But one thing is certain: Chua Beng Huat’s book has opened up space in Singapore for more discussion about its public housing system.

Singapore’s public housing system is a unique case that offers useful lessons for other societies. But it is important that the Singaporean case is not treated simply as a success. Its contradictions and potential to create conflicts must also be examined. *Public Subsidy / Private Accumulation* sets an example in this regard. Future studies based on local fieldwork and document investigations will be critical to build on Chua’s work.

References

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